

1 JOHN J. FRENI, ESQ. (Bar No. 132912)
A Professional Law Corporation
2 600 West Broadway, Suite 400
San Diego, CA 92101
3 (619) 557-9128; (619) 515-1197

4 Attorneys for Defendant, MARIO RENDA

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7
8 **UNITED STATES DISTRICT COURT**
9 **FOR THE SOUTHERN DISTRICT OF CALIFORNIA**

10 AIRLINES REPORTING CORPORATION,

11 Plaintiff/Judgment Creditor,

12 v.

13 COMMERCIAL TRAVEL
CORPORATION d/b/a MATLOCK
14 TRAVEL, *et al.*,

15 Defendants/Judgment Debtors.

CASE NO. 08-MC-00088

DEFENDANT MARIO RENDA'S NOTICE
OF LODGMENT IN SUPPORT OF
MOTION FOR ATTORNEY'S FEES AND
COSTS PURSUANT TO FEDERAL RULES
OF CIVIL PROCEDURE, RULE 54
(d)(2)(A)

Date: September 22, 2008
Time: 3:30 p.m.
Ctrm: 1, 4th Floor
Judge: Hon. Irma E. Gonzalez

Judgment: September 4, 2007

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19 Defendant MARIO RENDA respectfully lodges true and correct copies of the following
20 documents in support of his motion for attorney's fees and costs pursuant to Federal Rules of
21 Civil Procedure, Rule 54 (d)(2)(A):

22 **EXHIBIT 1:** Summary chart, Invoices (Nos. 1208 and 1221), and Work-in-Progress
23 Report as of August 15, 2008, and Unbilled Costs Report as of August 15,
24 2008.

25 **EXHIBIT 2:** Relevant excerpts from the Agent Reporting Agreement between Airlines
26 Reporting Corporation and Commercial Travel Corporation dba Matlock
27 Travel (first page, attorney's fees and costs provision, choice of law
28 provision).

DECLARATION AS TO AUTHENTICITY

I, John J. Freni, declare:

All of the documents lodged with this Notice of Lodgment are true and correct copies of the originals.

I declare under penalty of perjury under the laws of the United States of America and the State of California that the foregoing is true and correct.

Dated: August 15, 2008

JOHN J. FRENI, ESQ.
A Professional Law Corporation

By: s/ **JOHN J. FRENI, ESQ.**
Attorneys for Defendant, MARIO RENDA

**DEFENDANT MARIO RENDA'S NOTICE OF LODGMENT
IN SUPPORT OF MOTION FOR ATTORNEY'S FEES AND COSTS**

EXHIBITS 1 -

- EXHIBIT 1** Summary chart, Invoices (Nos. 1208 and 1221), and **Pages 1-10**
Work-in-Progress Report as of August 15, 2008, and
Unbilled Costs Report as of August 15, 2008.
- EXHIBIT 2** Relevant excerpts from the Agent Reporting Agreement **Pages 11-13**
between Airlines Reporting Corporation and Commercial
Travel Corporation dba Matlock Travel (first page,
attorney's fees and costs provision, choice of law
provision).

SUMMARY OF FEES AND COSTS BILLED TO MARIO RENDA*Renda adv. ARC (Commercial Travel)*

<u>Date</u>	<u>Invoice No.</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
06/15/08	1208	130.00	-0-	130.00
07/15/08	1221	21,807.50	35.11	21,842.61
08/15/08	WIP/UBC	10,465.00	717.69	11,182.69
TOTALS		\$32,402.50	\$752.80	\$33,155.30

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tel 619.557.9128
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john@freni-law.com

Invoice

Bill To

Mario Renda
5212 Chelsea Street
La Jolla, CA 92037

Date	Invoice #	Terms	Client #	Matter #
6/15/2008	1208	Due on receipt	1046-005	005 - ARC v. Renda (Commerci...

Attorney/Paralegal	Description	Qty	Rate	Serviced	Amount
John J. Freni - \$325.00 Rate	Prepare email to Attorney Renda re documents necessary for motion to vacate in federal court	0.2	325.00	6/5/2008	65.00
John J. Freni - \$325.00 Rate	Prepare email to Attorney Renda re State Court motion papers to use as forms for motion in federal court	0.2	325.00	6/5/2008	65.00

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Total	\$130.00
Payments/Credits	\$0.00
Balance Due	\$130.00

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Date	Invoice #	Terms	Client #	Matter #
7/15/2008	1221	Due on receipt	1046-005	005 - ARC v. Renda (Commerci...

Attorney/Paralegal	Description	Qty	Rate	Serviced	Amount
John J. Freni - \$325.00 Rate	Telephone conference with Ms. Cooperal re request for stay, potential stipulation and ex parte motion procedure	0.3	325.00	6/17/2008	97.50
John J. Freni - \$325.00 Rate	Prepare letter to Attorney Sampson re request for stipulation re stay of enforcement	0.2	325.00	6/19/2008	65.00
John J. Freni - \$325.00 Rate	Revise and finalize letter to Attorney Sampson re request for stipulation re stay of enforcement	0.1	325.00	6/20/2008	32.50
John J. Freni - \$325.00 Rate	Review and analyze facsimile from Attorney Sampson re ARC refusal to agree to stay of enforcement	0.1	325.00	6/23/2008	32.50
John J. Freni - \$325.00 Rate	Initial review and revisions to draft P's & A's re motion to vacate	3	325.00	6/23/2008	975.00
John J. Freni - \$325.00 Rate	Prepare ex parte motion for stay, pursuant to FRCP, Rule 62(b)(4)	1.8	325.00	6/24/2008	585.00
John J. Freni - \$325.00 Rate	Prepare declaration of John J. Freni in support of ex parte motion for stay	1.2	325.00	6/24/2008	390.00
John J. Freni - \$325.00 Rate	Telephone conference with Ms. Cooperal re ARC's refusal to stipulate and preparation of ex parte motion and hearing date for motion to vacate	0.2	325.00	6/24/2008	65.00
John J. Freni - \$325.00 Rate	Further preparation of P's & A's re motion to vacate	3.7	325.00	6/24/2008	1,202.50
John J. Freni - \$325.00 Rate	Prepare proposed order re ex parte motion for stay	0.2	325.00	6/24/2008	65.00
John J. Freni - \$325.00 Rate	Revise and finalize ex parte motion for stay, pursuant to FRCP, Rule 62(b)(4)	0.7	325.00	6/25/2008	227.50

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Date	Invoice #	Terms	Client #	Matter #
7/15/2008	1221	Due on receipt	1046-005	005 - ARC v. Renda (Commerci...

Attorney/Paralegal	Description	Qty	Rate	Serviced	Amount
John J. Freni - \$325.00 Rate	Revise and finalize Freni Declaration in support of ex parte motion for stay	0.5	325.00	6/25/2008	162.50
John J. Freni - \$325.00 Rate	Revise and finalize proposed order re ex parte motion for stay	0.1	325.00	6/25/2008	32.50
John J. Freni - \$325.00 Rate	Further preparation of P's & A's re motion to vacate	4	325.00	6/25/2008	1,300.00
John J. Freni - \$325.00 Rate	Research and analysis on abuse of process cause of action for letter to Attorney Sampson re demand that ARC voluntarily vacate default judgment	2	325.00	6/26/2008	650.00
John J. Freni - \$325.00 Rate	Review and analyze Court's Order re Ex Parte Motion for Stay	0.2	325.00	6/26/2008	65.00
John J. Freni - \$325.00 Rate	Telephone conferences (2) with Ms. Cooperal re proposed reply in support of request for stay	0.2	325.00	6/26/2008	65.00
John J. Freni - \$325.00 Rate	Review and analyze ARC Opposition to Ex Parte Motion for Stay	0.5	325.00	6/26/2008	162.50
John J. Freni - \$325.00 Rate	Prepare letter to Attorney Sampson re demand for ARC to voluntarily vacate default judgment for lack of personal jurisdiction	1.5	325.00	6/27/2008	487.50
John J. Freni - \$325.00 Rate	Telephone call to Ms. Cooperal re revision to briefing schedule for Motion to Vacate given the Court's order re stay	0.1	325.00	6/27/2008	32.50
John J. Freni - \$325.00 Rate	Telephone call to Attorney Sampson re proposed revised briefing schedule	0.1	325.00	6/27/2008	32.50
John J. Freni - \$325.00 Rate	Review and analyze email from Attorney Sampson re proposed revised briefing schedule for motion to vacate	0.1	325.00	6/27/2008	32.50

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7/15/2008	1221	Due on receipt	1046-005	005 - ARC v. Renda (Commerci...

Attorney/Paralegal	Description	Qty	Rate	Serviced	Amount
John J. Freni - \$325.00 Rate	Telephone conference with Ms. Cooperal re Attorney Sampson's agreement to revised briefing schedule	0.1	325.00	6/27/2008	32.50
John J. Freni - \$325.00 Rate	Prepare declaration of Anthony Renda in support of motion to vacate	0.5	325.00	6/27/2008	162.50
John J. Freni - \$325.00 Rate	Prepare declaration of Mario Renda in support of motion to vacate	0.8	325.00	6/27/2008	260.00
John J. Freni - \$325.00 Rate	Further research and analysis for motion to vacate	3	325.00	6/27/2008	975.00
John J. Freni - \$325.00 Rate	Prepare email to Attorney Sampson re Order re briefing schedule and letter re demand for withdrawal of void default judgment	0.2	325.00	6/27/2008	65.00
John J. Freni - \$325.00 Rate	Revisions and additions to motion to vacate	4	325.00	6/29/2008	1,300.00
John J. Freni - \$325.00 Rate	Prepare declaration of John J. Freni in support of Motion to Vacate	0.5	325.00	6/30/2008	162.50
John J. Freni - \$325.00 Rate	Review and analyze Order re Briefing Schedule for Motion to Vacate	0.1	325.00	6/30/2008	32.50
John J. Freni - \$325.00 Rate	Revise and finalize Points and Authorities in support of motion to vacate	6	325.00	6/30/2008	1,950.00
John J. Freni - \$325.00 Rate	Revise and finalize Notice of Motion and Motion to Vacate	0.5	325.00	6/30/2008	162.50
John J. Freni - \$325.00 Rate	Revise and finalize Notice of Lodgment in Support of Motion to Vacate	0.5	325.00	6/30/2008	162.50
John J. Freni - \$325.00 Rate	Prepare email to Mr. Renda re declaration in support of motion to vacate	0.1	325.00	6/30/2008	32.50
John J. Freni - \$325.00 Rate	Conference with Attorney Renda re preparation of opposition to motion for assignment order	0.2	325.00	7/1/2008	65.00

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Date	Invoice #	Terms	Client #	Matter #
7/15/2008	1221	Due on receipt	1046-005	005 - ARC v. Renda (Commerci...

Attorney/Paralegal	Description	Qty	Rate	Serviced	Amount
John J. Freni - \$325.00 Rate	Telephone conference with Mr. Renda re case status and strategy re Opposition to Motion for Assignment Order	0.5	325.00	7/8/2008	162.50
John J. Freni - \$325.00 Rate	Conference with Attorney Renda re obtaining information re funds held by N.Y. Attorneys	0.1	325.00	7/8/2008	32.50
John J. Freni - \$325.00 Rate	Research and analysis for Opposition to Motion for Assignment Order	3	325.00	7/8/2008	975.00
John J. Freni - \$325.00 Rate	Prepare Ps & As in support of opposition to motion for assignment order	2	325.00	7/9/2008	650.00
John J. Freni - \$325.00 Rate	Prepare declaration of Anthony Renda in support of opposition to motion for assignment order	1	325.00	7/10/2008	325.00
John J. Freni - \$325.00 Rate	Further preparation of P's & A's in support of opposition to motion for assignment order	4	325.00	7/10/2008	1,300.00
John J. Freni - \$325.00 Rate	Prepare declaration of Mario Renda in Opposition to Motion for Assignment Order	0.3	325.00	7/10/2008	97.50
John J. Freni - \$325.00 Rate	Prepare email to Anthony Renda re declaration in support of opposition to motion for assignment order	0.1	325.00	7/10/2008	32.50
John J. Freni - \$325.00 Rate	Prepare email to Mr. Renda re declaration in support of opposition to motion for assignment	0.1	325.00	7/10/2008	32.50
John J. Freni - \$325.00 Rate	Research and analysis re applicable Virginia Statutes of Limitation	2	325.00	7/10/2008	650.00
John J. Freni - \$325.00 Rate	Revise and finalize points and authorities in opposition to motion for assignment order	4.5	325.00	7/11/2008	1,462.50

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7/15/2008	1221	Due on receipt	1046-005	005 - ARC v. Renda (Commerci...

Attorney/Paralegal	Description	Qty	Rate	Serviced	Amount
John J. Freni - \$325.00 Rate	Prepare declaration of John J. Freni in support of opposition to motion for assignment order	1.7	325.00	7/11/2008	552.50
John J. Freni - \$325.00 Rate	Prepare objections to declarations of Lewis, Sampson and Exhibits lodged in support of motion for assignment order	1.5	325.00	7/11/2008	487.50
John J. Freni - \$325.00 Rate	Organize Exhibits for and Prepare Notice of Lodgment in Support of Opposition to Motion for Assignment Order	1	325.00	7/11/2008	325.00
John J. Freni - \$325.00 Rate	Initial review and analysis of declarations in support of ARC opposition to motion to vacate	0.8	325.00	7/14/2008	260.00
John J. Freni - \$325.00 Rate	Telephone conference with Mr. Renda re new documents submitted by ARC with Declaration of Attorney Lewis	0.5	325.00	7/14/2008	162.50
John J. Freni - \$325.00 Rate	Initial analysis of ARC points and authorities in opposition to motion to vacate; outline issues for reply	1.5	325.00	7/14/2008	487.50
John J. Freni - \$325.00 Rate	Prepare objections to declaration of Attorney Lewis	0.7	325.00	7/14/2008	227.50
John Freni N/C	Prepare email to Mr. Renda re Lewis Declaration in Opposition to Motion to Vacate	0.1	0.00	7/14/2008	0.00
John Freni N/C	Telephone conference with Judge Gonzalez' law clerk re providing courtesy copies of reply papers	0.1	0.00	7/14/2008	0.00

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7/15/2008	1221	Due on receipt	1046-005	005 - ARC v. Renda (Commerci...

Attorney/Paralegal	Description	Qty	Rate	Serviced	Amount
John J. Freni - \$325.00 Rate	Research and analysis for Reply Brief re burden of proof on Rule 60(b) motion, Virginia law re personal jurisdiction issues, final judgment issues, jurisdiction over corporate director, and new cases cited by ARC	4.5	325.00	7/15/2008	1,462.50
Reimb Group	Photocopies for June 2008		8.85	7/1/2008	8.85
	Facsimiles for June 2008		0.70	7/1/2008	0.70
	Obtain Virginia Court Documents Online		10.52	7/7/2008	10.52
	Postage for the period 06/14/08 - 07/13/08		5.04	7/13/2008	5.04
	Delivery of Motion Papers to Judge's Chambers		10.00	7/14/2008	10.00
	Total Reimbursable Expenses				35.11

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Total	\$21,842.61
Payments/Credits	\$0.00
Balance Due	\$21,842.61

Renda, Mario - 1046:005 - ARC v. Renda (Commercial Travel)
Unbilled 07/16/08 to 08/15/08

Date	Name	Rate	Duration	Fees	Notes
John J. Freni - \$325.00 Rate					
07/16/2008	John Freni Attorney	\$325.00	3.50	\$1,137.50	Further research and analysis re cases cited by ARC, Virginia SOLs, and final judgment issues
07/17/2008	John Freni Attorney	\$325.00	0.20	\$65.00	Prepare three emails to Anthony Renda re exhibits in support of ARC Opposition
07/17/2008	John Freni Attorney	\$325.00	1.50	\$487.50	Prepare declaration of Anthony Renda in support of reply re motion to vacate
07/17/2008	John Freni Attorney	\$325.00	0.20	\$65.00	Prepare declaration of Mario Renda in support of reply re motion to vacate
07/17/2008	John Freni Attorney	\$325.00	0.10	\$32.50	Prepare email to Anthony Renda re draft declaration
07/17/2008	John Freni Attorney	\$325.00	0.10	\$32.50	Prepare email to Mr. Mario Renda re draft declaration
07/17/2008	John Freni Attorney	\$325.00	0.20	\$65.00	Telephone conference with Mr. Renda re declarations
07/17/2008	John Freni Attorney	\$325.00	0.20	\$65.00	Revise and finalize declaration of Anthony Renda
07/18/2008	John Freni Attorney	\$325.00	0.10	\$32.50	Prepare email to Anthony Renda re final draft of declaration
07/18/2008	John Freni Attorney	\$325.00	1.50	\$487.50	Review and analyze ARC reply re motion for assignment order and declaration of Att. Lewis
07/20/2008	John Freni Attorney	\$325.00	6.00	\$1,950.00	Prepare reply in support of motion to vacate
07/21/2008	John Freni Attorney	\$325.00	8.00	\$2,600.00	Revisions, additions and finalization of reply in support of motion to vacate default judgment
07/21/2008	John Freni Attorney	\$325.00	1.00	\$325.00	Revise and finalize objections to Lewis and Erickson declarations
07/21/2008	John Freni Attorney	\$325.00	1.20	\$390.00	Prepare objections to Lewis declaration in support of motion for assignment order
07/22/2008	John Freni Attorney	\$325.00	0.30	\$97.50	Analyze ARC's responses to Objections to Lewis and Erickson declarations
07/23/2008	John Freni Attorney	\$325.00	0.10	\$32.50	Tel. conf. w/ law clerk, Ms. Cooperal, re motions under submission without oral argument
08/04/2008	John Freni Attorney	\$325.00	0.40	\$130.00	Review and analyze Order Granting Motion to Vacate
08/04/2008	John Freni Attorney	\$325.00	0.20	\$65.00	Telephone conference with Mr. Renda re Order Granting Motion to Vacate and related issues
08/14/2008	John Freni Attorney	\$325.00	0.20	\$65.00	Telephone conference with Mr. Renda re motion for attorney's fees and costs
08/14/2008	John Freni Attorney	\$325.00	0.30	\$97.50	Prepare notice of motion and motion for attorney's fees
08/14/2008	John Freni Attorney	\$325.00	0.40	\$130.00	Prepare declaration of John J. Freni in support of motion for attorney's fees and costs
08/14/2008	John Freni Attorney	\$325.00	3.00	\$975.00	Prepare points and authorities in support of motion for attorney's fees and costs
08/15/2008	John Freni Attorney	\$325.00	1.20	\$390.00	Revise and finalize P's & A's re Att. Fees & Costs Motion
08/15/2008	John Freni Attorney	\$325.00	0.40	\$130.00	Organize Exhibits for Notice of Lodgment re Att. Fees Motion
08/15/2008	John Freni Attorney	\$325.00	0.20	\$65.00	Revise and finalize Notice of Lodgment
08/15/2008	John Freni Attorney	\$325.00	0.40	\$130.00	Revise and finalize Notice of Motion and Motion for Att. Fees & Costs
08/15/2008	John Freni Attorney	\$325.00	1.30	\$422.50	Revise and finalize Declaration of John J. Freni re Att. Fees Motion
Total John J. Freni - \$325.00 Rate				32.20 \$10,465.00	
32.20 Total Renda, Mario - 1046:005 - ARC v. Renda (Commercial Travel)					

John J. Freni, Esquire
Unbilled Costs - Renda 1046-005
As of 08/15/08

11:09 AM
08/15/08
Accrual Basis

Type	Date	Source Name	Memo	Amount
Renda, Mario - 1046				
005 - ARC v. Renda (Commercial Travel)				
Bill	7/21/2008	Knox Attorney Service, Inc.	Obtain Certified Copy of First Mutual Quitclaim Deed	69.50
Bill	7/23/2008	Knox Attorney Service, Inc.	File Copy of Reply with Judge Gonzalez	10.00
Bill	7/31/2008	LexisNexis	Online Research re Virginia Law	631.00
Bill	8/6/2008	Simpson Delmore Greene LLP	Photocopies for July 2008	1.80
Credit ...	8/14/2008	U.S. POST OFFICE	Postage for 07/14/08 - 08/13/08	5.39
Total 005 - ARC v. Renda (Commercial Travel)				717.69
Total Renda, Mario - 1046				717.69
TOTAL				717.69

Agent Reporting Agreement

This agreement by and between Airlines Reporting Corporation (hereinafter "ARC"), 1530 Wilson Boulevard, Suite 800, Arlington, VA 22209-2448, on its own behalf and on behalf of the carriers which have or hereafter execute the ARC Carrier Services Agreement (hereinafter "carrier" or "carriers") and which appoint the Agent under this agreement,

and

this person who executes the memorandum of agreement, or otherwise consents in the adoption of this agreement, as described in section XXV hereof, agreeing to be bound to the terms and conditions of this agreement (hereinafter called "the Agent"),

WITNESSETH:

WHEREAS, ARC maintains an agency list containing the names of persons who have been found to meet certain minimum requirements and qualifications, and are eligible to issue ARC traffic documents and to sell air transportation or provide for ancillary services on carriers which appoint them;

WHEREAS, carriers which are parties to the ARC Carrier Services Agreement may appoint and provide their airline identification plates to such persons for the sale of air transportation and the issuance of ARC traffic documents on their behalf;

WHEREAS, ARC administers and operates the agents' standard ticket and area settlement plan (hereinafter "ASP" or "the Plan") through which persons included on the ARC agency list report ARC traffic documents for the sale of air transportation and ancillary services on behalf of the carriers, and make settlement therefore;

WHEREAS, the Agent engages in the sale of air transportation to the public as agent for and on behalf of the carriers and, upon application duly submitted, the agent has been found qualified for inclusion on the ARC agency list;

WHEREAS, the Agent will utilize the plan to report ARC traffic documents issued for the sale of air transportation and ancillary services on behalf of the carriers appointing such Agent, and make settlement therefore;

NOW, THEREFORE, in consideration of these premises and the mutual covenants and agreements hereinafter set forth, it is mutually agreed as follows:

Section I: Purpose and Scope

- A. The purpose of this agreement is to facilitate the issuance of ARC traffic documents to the public by agents of carriers in a competitive and efficient manner.
- B. This agreement establishes a principal-agent relationship between the Agent and appointing carriers, and governs the terms and conditions under which the Agent is

authorized to issue ARC traffic documents at or through its authorized agency locations in the United States, and does not extend to the terms and conditions under which the Agent is authorized to issue tickets and other forms that the carrier may provide to the Agent.

- C. This agreement does not constitute the entire agreement between the Agent and a carrier, but is specifically limited to the terms and conditions contained herein.
- D. Certain sections of this agreement are labeled so as to distinguish between those provisions which apply only to authorized locations which submit their sales reports via Interactive Sales Reporting (ISR locations) and those provisions which apply only to authorized locations which submit their sales reports via paper reports (non-ISR locations). In such sections, those provisions preceded directly by the heading "ISR Locations" shall apply only to ISR locations, and those preceded directly by the heading "Postal Locations" shall apply only to non-ISR locations. All other provisions of this agreement, where this distinction is not drawn, shall apply equally to both ISR and non-ISR locations. Because a single "Agent" may have both ISR and non-ISR locations, in such a case both sets of provisions shall apply to the same Agent, the "Postal Location" provisions setting forth the Agent's requirements regarding its non-ISR locations, and the "ISR Location" provisions determining the Agent's obligations for its ISR locations.

Section II: Definitions

For the purpose of this agreement

AGENCY LIST and LIST mean the agency list maintained by ARC, which includes the name, address and agency code number for each authorized agency location which has been found qualified under ARC standards, and contains the classification under which the location was included.

AGREEMENT means the ARC Agent Reporting Agreement.

AGENT IDENTIFICATION PLATE means a plate bearing the Agent's name, city, state, and code number, which is used in a validator machine for the validation of ARC traffic documents (paper format).

AIRLINE IDENTIFICATION PLATE means a plate bearing the carrier's name or authorized abbreviation, and code number, and is used in a validator machine for the validation of ARC traffic documents (paper format).

ARBITER means the Travel Agent Arbitrator established by ARC as an independent entity (including all Associate Travel Agent Arbitrators) to decide disputes between ARC and agents and applicants.



The Agent may appeal ARC's determination that it is subject to this section to the Travel Agent Arbitrator. During the pendency of the appeal, which shall be given expedited consideration, this section will continue to apply to the Agent unless or until removed by the Travel Agent Arbitrator or the Agent's compliance with section IX.D.1.

Section X: Refund or Exchange of ARC Traffic Documents

The Agent may refund any fare or charge applicable to air transportation only if sold by the Agent hereunder and for which the Agent has issued an ARC traffic document. The Agent shall make refund only to the person authorized to receive the refund and in accordance with tariffs, rules, regulations, and instructions issued by the carrier.

The Agent, without the authority of the ticketing carrier whose ARC traffic document is to be issued, shall not:

1. Issue an ARC traffic document in exchange for any traffic document previously issued by another agent or by a carrier; or
2. Issue an ARC traffic document in exchange for a traffic document previously issued by that Agent naming another carrier as the ticketing carrier.

Section XI: Liability and Waiver of Claim

The carrier will indemnify and hold harmless the Agent, its officers, agents and employees from all responsibility and liability for any damage, expense, or loss to any person or thing caused by or arising from any negligent act, omission or misrepresentation of the carrier, its representatives, agents, employees, or servants, relating directly or indirectly to the performance of the duties and obligations of the carrier under this agreement.

The Agent will indemnify and hold harmless the carrier, its officers, agents, and employees from all responsibility and liability for any damage, expense, or loss to any person or thing caused by or arising from any negligent act, omission, or misrepresentation of the Agent, its representatives, agents, employees, or servants relating directly or indirectly to the performance of the duties and obligations of the Agent under this agreement.

Unless the Agent is relieved of liability pursuant to this section, the proceeds of the Agent's bond or letter of credit will be applied to, and the Agent will indemnify and hold harmless the carrier, its officers, agents and employees, from any and all damage, expense, or loss, on account of the loss, misapplication, theft, forgery or unlawful use of ARC traffic documents, ARC-issued numbers or other supplies furnished by or on behalf of the carrier to the Agent. The Agent shall be relieved of liability for losses arising from the proven theft or unlawful use, except by the Agent or the Agent's employees, of ARC traffic

documents, ARC-issued numbers or identification plates from the agency premises upon a determination by ARC that the Agent, at the time of theft or unlawful use, exercised reasonable care for the protection of such ARC traffic documents, ARC-issued numbers or airline identification plates, and has, upon discovery, immediately reported the theft or unlawful use to the appropriate law enforcement authorities and has promptly notified ARC of the particulars of such theft or unlawful use both by telephone and telegram.

Reasonable care, as used herein, shall include but not be limited to compliance with the safeguards set forth in attachment B to this agreement. In making the determination specified herein, ARC may rely on the findings of the ARC Field Investigations and Fraud Prevention office or cooperating security officers of carriers. However, if ARC has filed a complaint with the Arbitrator alleging the Agent failed to comply with the safeguards set forth in attachment B of this agreement, ARC shall rely on the finding of the Arbitrator in determining whether or not reasonable care was exercised by the Agent. If ARC determines that the Agent did not exercise reasonable care, ARC shall inform the Agent of the specific details and exact manner in which the Agent failed to exercise reasonable care. The Agent may appeal ARC's determination to the Arbitrator pursuant to section XXIII.

- D. The Agent hereby expressly waives any and all claims, causes of action, or rights to recovery based upon libel, slander, or defamation of character by reason of publication of asserted grounds or reasons for removal from the agency list or such other action which may have been prescribed, or of alleged violations or other charges for which review of the Agent's eligibility is requested, as is reasonably related to the performance of appropriate functions specified for ARC, its officers and employees, or the Director of Field Investigations and Fraud Prevention or the Arbitrator in the performance of their duties under this agreement.

- E. If ARC uses legal counsel to (i) enforce its right to possession of ARC traffic documents (paper format) and airline identification plates, because the Agent failed or refused to surrender them upon demand made pursuant to this agreement, and/or (ii) to otherwise obtain compliance by the Agent with the provisions of this section, the Agent shall reimburse ARC for all costs incurred by it, and for the reasonable fees of its attorneys, if its action is adjudicated or otherwise resolved in its favor. If its action is adjudicated or otherwise resolved in favor of the Agent, ARC shall reimburse the Agent for all costs incurred by it, and for the reasonable fees of its attorneys, in defending itself against ARC's action. The term "costs" as used herein shall include, but not be limited to, court costs, litigation bond premiums, private investigator fees incurred in attempting to locate traffic documents, and locksmith fees.

R and Postal Locations

Whenever this agreement is terminated pursuant to paragraph A or B above, ARC shall notify all carriers and advise them of the effective date thereof. ARC shall also notify the system providers that the issuance of ARC traffic documents, whether in paper or electronic format, is prohibited. Additionally, the Agent shall cease any and all use of its code number(s) for purposes related to the issuance of ARC traffic documents.

A carrier appointment may be terminated as between the Agent and any individual carrier at any time by notice in writing from one to the other. If a carrier which issues specific certificates of appointment under section V hereof, elects to terminate its appointment of the Agent, it shall notify the Agent of the termination of the certificate of appointment. A carrier which has deposited with ARC a concurrence for appointment of all agents may terminate its appointment of the Agent by notifying the Agent by prepaid telegram, mailgram, mail, or any government licensed delivery service which service provides a shipping receipt, air bill or documentation of delivery (e.g., an overnight delivery service such as Airborne Express, Federal Express, UPS, etc.), with a copy to ARC's Accreditation and Database Management department, such notice to be distributed by ARC to all carrier participants, that the Agent shall not represent that carrier. ARC shall also notify the system providers that the Agent's agreement with the carrier is terminated. The system providers shall inhibit the printing of ARC traffic documents validated with such carrier's identifier as well the generation of such ARC traffic documents in an electronic format. Upon receipt of notice from a carrier that the termination of the Agent's agreement has been rescinded or revoked, ARC shall so notify the carriers and the system providers.

F. Termination shall take effect immediately upon receipt of notice, or upon the date indicated therein, whichever shall be later, subject to the fulfillment by each of the parties of all obligations accrued prior to the effective date of such termination.

G. ARC shall be considered a real party in interest in any cause of action, suit, or arbitration (hereinafter collectively "action") to enforce the terms of this agreement, including any action brought by ARC, after the termination of this agreement by ARC or the Agent, to collect amounts due the carriers by the Agent.

Section XXX: Other Agreements Superseded

This agreement shall supersede any and all prior agreements between the Agent and any carrier party to the Carrier Services Agreement concerning the issuance of ARC traffic documents for such party, including the Air Traffic Conference of America Passenger Sales Agency Agreement, except with respect to rights and liabilities thereunder existing at the date hereof.

Section XXXI: Choice of Law

This Agreement shall be construed in accordance with, and governed by, the laws of the Commonwealth of Virginia.